

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 274

Introduced by Jones, 43; Baker, 44; Bourne, 8; Byars, 30;
Coordsen, 32; Hudkins, 21; Kremer, 34; Landis, 46; C.
Peterson, 35; Schellpeper, 18; Schmitt, 41;
Stuhr, 24; Vrtiska, 1; Wickersham, 49

Read first time January 11, 1999

Committee: Banking, Commerce and Insurance

A BILL

- 1 FOR AN ACT relating to business entities; to amend sections 21-2602
- 2 and 67-306, Reissue Revised Statutes of Nebraska, and
- 3 section 67-409, Revised Statutes Supplement, 1998; to
- 4 change provisions relating to lawful purposes; and to
- 5 repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 21-2602, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 21-2602. (1) A limited liability company may be
4 organized pursuant to the Limited Liability Company Act for any
5 lawful purpose other than for the purpose of being a financial
6 institution which is subject to supervision by the Department of
7 Banking and Finance under section 8-102 or which would be subject
8 to supervision by the department if chartered by the State of
9 Nebraska or the business of an insurer as described in section
10 44-102.

11 (2) A limited liability company organized pursuant to the
12 act shall be deemed to be a syndicate for purposes of Article XII,
13 section 8, of the Constitution of Nebraska, except that a limited
14 liability company ~~in which the~~ shall not be deemed a syndicate if:

15 (a) The members are members of a family, or a trust
16 created for the benefit of a member of that family, related to one
17 another within the fourth degree of kindred according to the rules
18 of civil law, or their spouses, at least one of whom is a person
19 residing on or actively engaged in the day-to-day labor and
20 management of the farm or ranch, and none of whom are nonresident
21 aliens; or

22 (b) The members total no more than two members, the
23 members are not related to one another within the fourth degree of
24 kindred, one member is at least sixty-five years of age and owns a
25 farm or ranch, and the remaining member is less than forty years of
26 age when he or she becomes a member and is actively engaged in the
27 day-to-day labor and management of such farm or ranch. 7 shall not
28 be deemed to be a syndicate for purposes of Article XII, section 8,

1 ~~of the Constitution of Nebraska.~~

2 Sec. 2. Section 67-306, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 67-306. (1) A partnership is an association of persons
5 organized as a separate entity to carry on a business for profit
6 and includes, for all purposes of the laws of this state, a
7 registered limited liability partnership. Nothing in the Uniform
8 Partnership Act is intended to restrict or limit in any manner the
9 authority and duty of any regulatory body licensing professionals
10 within the state to license such individuals rendering professional
11 services or to regulate the practice of any profession that is
12 within the jurisdiction of the regulatory body licensing such
13 professionals within the state notwithstanding that the person is a
14 partner of a registered limited liability partnership and rendering
15 professional services or engaging in the practice of the profession
16 through a registered limited liability partnership.

17 (2) Any association formed under any other statute of
18 this state, or any statute adopted by authority, other than the
19 authority of this state, is not a partnership under the act, unless
20 the association would have been a partnership in this state prior
21 to the adoption of the act; but such other statutes shall apply to
22 limited partnerships except as such other statutes relating to such
23 associations are inconsistent with the act.

24 (3) A limited liability partnership is a syndicate for
25 purposes of Article XII, section 8, of the Constitution of
26 Nebraska, except that a registered limited liability partnership ~~in~~
27 ~~which the~~ shall not be deemed a syndicate if:

28 (a) The partners are members of a family, or a trust

1 created for the benefit of a member of that family, related to one
2 another within the fourth degree of kindred according to the rules
3 of civil law, or their spouses, at least one of whom is a person
4 residing on or actively engaged in the day-to-day labor and
5 management of the farm or ranch and none of whom are nonresident
6 aliens; or

7 (b) The partners total no more than two partners, the
8 partners are not related to one another within the fourth degree of
9 kindred, one partner is at least sixty-five years of age and owns a
10 farm or ranch, and the remaining partner is less than forty years
11 of age when he or she becomes a partner and is actively engaged in
12 the day-to-day labor and management of such farm or ranch. 7 is
13 not a syndicate for purposes of Article XII, section 8, of the
14 Constitution of Nebraska.

15 Sec. 3. Section 67-409, Revised Statutes Supplement,
16 1998, is amended to read:

17 67-409. (1) A partnership is an entity distinct from its
18 partners.

19 (2) A limited liability partnership is a syndicate for
20 purposes of Article XII, section 8, of the Constitution of
21 Nebraska, except that a registered limited liability partnership ~~in~~
22 which the shall not be deemed a syndicate if:

23 (a) The partners are members of a family, or a trust
24 created for the benefit of a member of that family, related to one
25 another within the fourth degree of kindred according to the rules
26 of civil law, or their spouses, at least one of whom is a person
27 residing on or actively engaged in the day-to-day labor and
28 management of the farm or ranch and none of whom are nonresident

1 aliens; or

2 (b) The partners total no more than two partners, the
3 partners are not related to one another within the fourth degree of
4 kindred, one partner is at least sixty-five years of age and owns a
5 farm or ranch, and the remaining partner is less than forty years
6 of age when he or she becomes a partner and is actively engaged in
7 the day-to-day labor and management of such farm or ranch. 7 is
8 not a syndicate for purposes of Article XII, section 8, of the
9 Constitution of Nebraska.

10 A limited liability partnership continues to be the same
11 entity that existed before the filing of a statement of
12 qualification under section 67-454.

13 Sec. 4. Original sections 21-2602 and 67-306, Reissue
14 Revised Statutes of Nebraska, and section 67-409, Revised Statutes
15 Supplement, 1998, are repealed.